GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:2848
ANSWERED ON:12.12.2005
ECONOMIC GROWTH AND EMPLOYMENT
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the Indian economy has grown by 23.5% during 1999-2003 but employment growth has only been 9.5%;

(b) if so, the reasons therefor;

(c) whether International Labour Organisation (ILO) in its recent report has pin-pointed this fact; and

(d) if so, the main reasons for not keeping balance between employment and the economic growth and the remedial steps taken or being taken by the Government in regard thereto?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRASEKHAR RAO)

a to d) The International Labour Organization`s report titled `Labour and Social Trends in Asia and the Pacific 2005` reported that Indian economy grew by 23.5% during 1999-2003 while the employment growth was 9.7%. As per the Economic Survey 2004-05, growth of the Indian economy in terms of Gross Domestic Product (GDP) during the period 1999-2003 was as given below.

Year	Growth rate of GDP (at factor cost) percentage change over previous year.
1999-2000	6.1
2000-2001	4.4
2001-2002	5.8
2002-2003	4.0 (Provisional)

Estimates of employment and unemployment are obtained through quinquennial labour force surveys conducted by National Sample Survey Organisation. Latest survey for which results are available pertain to the year 1999-2000. As per these surveys, employment on usual status basis grew at the rate of around 0.98% per annum during 1994-2000.

Decline in employment creating capacity of the growth is one of the main reasons for employment growth not keeping pace with economic growth. Government is therefore targeting creation of around 5 crore employment opportunities during the 10th Plan with special emphasis on promoting labour intensive sectors.